

**Business Opportunity
For
Boat Shuttle Service,
Scenic Interpretive Boat Tours
and Boat Rentals
on Jenny Lake
within
GRAND TETON NATIONAL PARK
CC-GRTE022-08**

Department of the Interior

National Park Service



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1 Introduction

1.1 Foreword

This section describes in general terms the future business opportunity for Boat Shuttle Service, Scenic Interpretive Boat Tours and Rental Boat Services on Jenny Lake within Grand Teton National Park (Park).

Potential Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the attached Draft Contract, including its exhibits, to determine the full scope of the Concessioner's responsibilities under the Draft Contract.

This Prospectus is issued under the authority of the National Park Service Concessions Management Improvement Act of 1998, 16 U.S.C. § 5951-5966, 112 Stat. 3503, Pub. L. 105-391 as implemented by 36 C.F.R. Part 51, both are included for reference in Appendices B and G. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. Additionally, in the event of any inconsistency between the terms of the attached Draft Contract and this Business Opportunity section, the attached Draft Contract will control.

1.2 The National Park Service and its Mission

Congress created the National Park Service (Service) to

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. (16 U.S.C. §§ 1a-1)

The overall mission of the Service is the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the Service, visit www.nps.gov. This site includes information about the Service, its mission, policies, and individual parks.

1.3 Grand Teton National Park Background and Mission

The Park encompasses nearly 310,000 acres and protects the Teton Range, Jackson Hole, a 50-mile portion of the Snake River, seven morainal lakes, over 100 backcountry and alpine lakes, and a wide range of wildlife and plant species. The purpose of the Park as described in the Park's Master Plan (1976) is to protect the scenic and geological values of the Teton Range and Jackson Hole, and to perpetuate the Park's indigenous plant and animal life. The



Park will interpret these natural and scenic values, in association with the historical significance of the region, in a manner that preserves these resources for the benefit and pleasure of present and future generations.

The Grand Teton National Park Mission Statement, as stated in the Strategic Plan, October 1, 2005 – September 30, 2008, is as follows:

“The National Park Service through Grand Teton National Park is dedicated to the preservation and protection of the Teton Range and its surrounding landscapes, ecosystems, cultural and historic resources. The singular geologic setting makes the area and its features unique on our planet. Human interaction with the landscape and ecosystem has resulted in an area rich in natural, cultural and historic resources that represents the natural processes of the Rocky Mountains and the cultures of the American West.”

To learn more about the Area, visit www.nps.gov/grte.



South Jenny Lake Boat Dock

1.4 Location

Exhibit 1-A presents an area map showing the Park and nearby landmarks. The Park is located in northwest Wyoming approximately 13 miles from the town of Jackson. Highways 26, 89, 191 and 287 provide access to the Park. Specifically, the existing concession operation is located at South Jenny Lake, eight miles north of Moose off the Teton Park Road.

Exhibit 1-A. Area Map

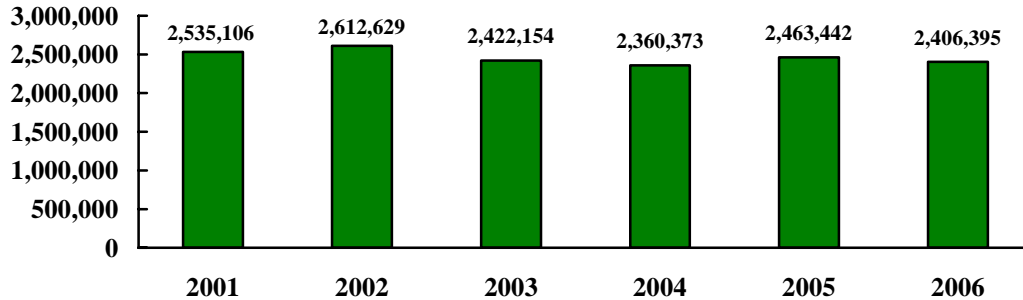
Source: www.nps.gov/GRTE



1.5 Visitation

The following tables are provided to give the Offeror an overview of park visitation. Exhibit 1-B presents annual recreational visitation to the Park.

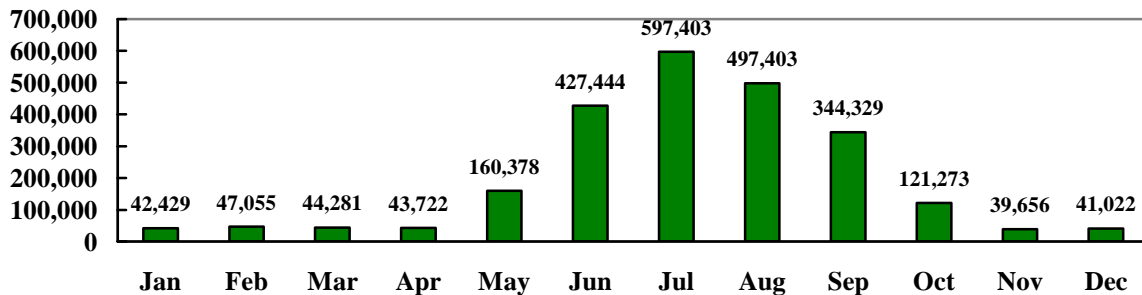
Exhibit 1-B. Annual Recreational Visitation



Source: Public Use Statistics Office (<http://www2.nature.nps.gov/stats/>)

Exhibit 1-C presents monthly recreational visitation to the Park. Recreation visits are those with a primary purpose of sightseeing or recreating in the Park, and do not include through-traffic, visits for business purposes, and entrance by residents and employees.

Exhibit 1-C. Monthly Recreational Visitation (2006)



Source: Public Use Statistics Office (<http://www2.nature.nps.gov/stats/>)

2 Operations

2.1 Required Services

Exhibit 2-A presents a summary of visitor services required under the Draft Contract. Exhibit 2-A also identifies whether the required services materially differ from those required under the existing contract as amended. The Draft Contract, including its exhibits, provides details on these required services.



Exhibit 2-A. Overview of Required Services

Service	Description	Material Differences from Existing Contract
Boat Shuttle Service	Provide boat transportation for visitors from the South Jenny Lake boat dock to the west shore and back	No material change
Scenic Interpretive Boat Tours	Provide one hour interpretive tour of Jenny Lake	No material change. Previously an authorized service
Boat Rentals	Provide rentals of 10 to 15 non-motorized boats	Previously an authorized service. Motor boats will not be provided



Source: National Park Service

2.2 Authorized Services

The Concessioner is authorized but not required to provide the following visitor service during the term of this Contract:

Sale of drinks, water, snacks and limited visitor convenience items such as sunscreen and hats.

2.3 Assigned Land and Facilities

The Concessioner will be assigned lands and facilities in Grand Teton National Park for use in conducting operations under the Draft Contract (See Draft Contract, Exhibit C). The Concessioner will be required to maintain the lands and facilities in a manner acceptable to the Service. Specific operating and maintenance requirements are detailed in the Operating and Maintenance Plans (see Draft Contract, Exhibits B and E, respectively).





West Jenny Lake Boat Dock

3 Operating Environment

3.1 Direct Competition to Concessioner

The Service does not authorize other businesses to operate in the Jenny Lake area that compete with the concession operation. Potential Offerors must conduct their own research to evaluate the competitive environment.

3.2 Specific Attributes Potentially Impacting Concession Operations

Exhibit 3-A identifies several unique attributes that could potentially affect the concession operation. Exhibit 3-A is not intended to be an exhaustive listing of all unique attributes. Potential Offerors must conduct their own research to evaluate the operating environment.

Exhibit 3-A. Unique Attributes Potentially Impacting Concession Operations

Unique Attribute	Potential Impact to Concessioner
Limited season	The operation generally operates from mid-May through September due to weather and winter closures.
Coast Guard requirements	The operation is held to Coast Guard requirements for boats and pilots. These requirements can be found in Exhibit B, Operating Plan, of the Draft Contract.
Limited housing	Housing is available for one or two employees.

3.3 Concessioner Impact on Park Resources

The mission of Park management includes protecting, conserving, and preserving Park resources. Exhibit 3-B describes resources that the concession operations most likely will affect. Exhibit 3-B is not intended to be exhaustive but instead focuses attention on affects that are particularly important to the Park.

Exhibit 3-B. Concessioner Impact on Park Resources

Park Resources	Description
Lake water quality	The Concessioner operates on a pristine morainal lake and is assigned facilities that are located on and/or near sensitive soils and landscapes. The Concessioner is expected to minimize water and surface contamination since pollutants could have significant impacts on resources.
Concession Facilities	The Concessioner is assigned and will have a critical role in maintaining and preserving two historic structures, one large and one small boat dock.
Visitor Use	The Concessioner has a major responsibility in educating visitors on Park resources and proper backcountry behavior.

4 Investment and Expenses

4.1 Leasehold Surrender Interest

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. There is no Leasehold Surrender Interest associated with this contract.

4.2 Estimate of Required Investment

Exhibit 4-A summarizes the estimated required initial investment of the Concessioner as projected by the Service.

Exhibit 4-A. Estimated Required Initial Investment

Investment Categories	
Personal Property	\$460,000*
Fuel Inventory	\$4,000*
Start –Up Expenses	\$50,000*
Other Property (Inventory)	\$1,000*
TOTAL	\$515,000**

* These values represent estimates of the Service and are provided in 2007 dollars.

**The above total does is not comprehensive and does consider pre-opening operational expenses.

Source: National Park Service



4.3 Other Property

Section 15 (d)(2) of the Draft Contract states “No compensation is due the Concessioner from the Director or a successor concessioner for the Concessioner’s personal property used in operations under this Contract. However, the Director or a successor concessioner may purchase such personal property from the Concessioner subject to mutually agreed upon terms.”

4.4 Concession Facilities Improvement Program

The Draft Contract does not require or allow the Concessioner to undertake and complete a real property improvement program (known as a Concession Facilities Improvement Program or CFIP).

4.5 Utilities

Water, sewer and trash collection are provided by the Service at a cost to the Concessioner. Information relating to historical water and sewer utility rates can be found in Appendix F.

5 Financials

5.1 Concessioner Financial Projections

The Proposal Package of this Prospectus requires Offerors to develop financial projections based upon the services under the Draft Contract.

Offerors must exercise caution in using the historical information and Service estimates. The Service has not provided financial projections. Offerors are responsible for producing their own prospective financial analyses and may not rely on the Service estimates. The Service does not warrant and assumes no liability for the accuracy of the estimates contained in this Prospectus. Each Offeror must conduct its due diligence, producing its own financial projections and relying on its own financial assumptions.

5.2 Gross Receipts by Department

Exhibit 5-A presents historical concession revenue for the past five years.

Exhibit 5-A. Gross Receipts

Year	2002	2003	2004	2005	2006
	\$634,371	\$736,013	\$770,490	\$804,121	\$846,021

Source: Concessioner Annual Financial Reports



5.3 Visitor Use Statistics

Exhibit 5-B presents historical visitor use per required service for the past five years.

Exhibit 5-B. Visitor Use Statistics

Year	2002	2003	2004	2005	2006
Boat Shuttle Service	104,774	127,636	127,240	127,762	135,949
Scenic Interpretive Boat Tours	1,018	1,300	1,547	1,904	1,386
Boat Rentals	468	7608	10,005	8,889	9,283

5.4 Rates

The Service ensures that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided in the private sector. The Service will determine the reasonableness of rates based upon the Service's "Concession Management Rate Approval Guide." The Draft Operating Plan (Exhibit B to the Draft Contract) describes the rate approval methods and may change. Generally, rates are based on comparison with like services provided by the private sector, under similar circumstances and in the same general geographic region. The Superintendent approves all rates.

Exhibit 5-C presents the currently approved rates for the concession operation.

Exhibit 5-C. Currently Approved Rates

Service	2006 Approved Rate
One Way Shuttle - Adult	\$7.00
One Way Shuttle - Child	\$5.00
Round Trip Shuttle - Adult	\$9.00
Round Trip Shuttle - Child	\$6.00
Scenic Tour- Adult	\$14.00
Scenic Tour - Child	\$10.00
Private Scenic Tour Charter - 1 Hour	\$205.00
Private Scenic Tour Charter - 2 Hours	\$410.00
Motorboat Rental- Half Day (4 hours)	\$65.00
Motorboat Rental - Full Day	\$100.00
Canoe/Kayak Rental - Hourly	\$12.00
Canoe/Kayak Rental - Daily	\$60.00



5.5 Service Financial Analysis

The Draft Contract requires a minimum franchise fee of 15% of percent of annual gross receipts. Offerors may propose a higher franchise fee in accordance with the terms of this Prospectus. The current franchise fee for the existing contract as amended is twelve (12%) percent of annual gross receipts.

The Service performed a franchise fee analysis, using the Capital Asset Pricing Model, to establish the minimum franchise fee, which considered historical financial information as well as projections for the term of the contract. The Service considers franchise fee analysis as confidential and does not release copies.

6 Additional Contract Terms

6.1 Preferred Offeror Determination

The Service has determined that the Existing Concessioner is not a Preferred Offeror for this Draft Contract pursuant to the terms of 36 C.F.R. Part 51.

6.2 Term and Effective Date

The Draft Contract is for a term of ten (10) years beginning on its effective date, which is estimated to be January 1, 2008. The effective date of the Draft Contract may change prior to contract award if determined necessary by the Service. The expiration date of the Draft Contract will be changed accordingly if a material adjustment is made to the effective date that significantly affects the business opportunity.

7 Site Visit

A site visit occurred on September 30, 2006. Service personnel provided an overview of the Park, along with a tour of the existing Concession areas associated with this Draft Contract. If you were unable to attend the site visit and would like a copy of the information that was provided, please contact:

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